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(Original Signature of Member)

118TH CONGRESS
1ST SESSION

H. R.

To amend the Specialty Crops Competitiveness Act of 2004 to direct the Secretary of Agriculture to establish a program under which the Secretary will award grants to eligible organizations to encourage the development, maintenance, and expansion of commercial domestic market for domestically produced specialty crop commodities.

IN THE HOUSE OF REPRESENTATIVES

Mr. VALADAO introduced the following bill; which was referred to the Committee on _____

A BILL

To amend the Specialty Crops Competitiveness Act of 2004 to direct the Secretary of Agriculture to establish a program under which the Secretary will award grants to eligible organizations to encourage the development, maintenance, and expansion of commercial domestic market for domestically produced specialty crop commodities.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Specialty Crop Domes-
3 tic Market Promotion and Development Program Act of
4 2023”.

5 **SEC. 2. SPECIALTY CROP DOMESTIC MARKET PROMOTION**
6 **AND DEVELOPMENT PROGRAM.**

7 Title II of the Specialty Crops Competitiveness Act
8 of 2004 (7 U.S.C. 7712a et seq.) is amended by adding
9 at the end the following:

10 **“SEC. 204. SPECIALTY CROP DOMESTIC MARKET PRO-**
11 **MOTION AND DEVELOPMENT PROGRAM.**

12 “(a) IN GENERAL.—For purposes of encouraging the
13 development, maintenance, and expansion of the commer-
14 cial domestic market for domestically produced specialty
15 crop commodities, the Secretary of Agriculture, acting
16 through the Administrator of the Agricultural Marketing
17 Service, shall establish a program under which the Sec-
18 retary will award grants to eligible organizations to imple-
19 ment a domestic market development program for spe-
20 cialty crops.

21 “(b) APPLICATION.—An eligible organization seeking
22 a grant under this section shall submit to the Secretary—

23 “(1) an application at such time, in such man-
24 ner, and containing such information as the Sec-
25 retary may require;

1 “(2) a marketing plan that meets the require-
2 ments of subsection (c); and

3 “(3) a certification that any Federal funds re-
4 ceived by such organization under this section will
5 supplement, but not supplant, funds from non-Fed-
6 eral sources (including a private entity) to carry out
7 a domestic market development program for spe-
8 cialty crops.

9 “(c) **MARKETING PLAN.**—

10 “(1) **IN GENERAL.**—A marketing plan sub-
11 mitted under subsection (b) shall—

12 “(A) describe the advertising or other de-
13 mand-oriented, generic domestic promotion ac-
14 tivities to be carried out by the eligible organi-
15 zation using funds awarded through a grant
16 under this section; and

17 “(B) contain—

18 “(i) a description of the manner in
19 which funds received by the eligible organi-
20 zation through a grant under this section,
21 in conjunction with funds and services pro-
22 vided by the eligible organization, will be
23 expended in implementing the marketing
24 plan;

1 “(ii) the market goals to be achieved
2 under the marketing plan; and

3 “(iii) such additional information as
4 may be required by the Secretary.

5 “(2) AMENDMENTS.—A marketing plan ap-
6 proved under this section may be amended by the el-
7 igible organization submitting such plan at any time,
8 subject to the approval of the Secretary.

9 “(d) AMOUNT OF GRANT.—

10 “(1) IN GENERAL.—The Secretary shall justify,
11 in writing, the level of funds awarded through a
12 grant to an eligible organization and the level of
13 matching funds to be required of the organization

14 “(2) MATCHING FUNDS.—The recipient of a
15 grant under this section shall provide non-Federal
16 matching funds equal to not less than 25 percent of
17 the amount of the grant, or such other amount de-
18 termined by the Secretary pursuant to paragraph
19 (1).

20 “(3) IN-KIND SUPPORT.—Non-Federal match-
21 ing funds described in paragraph (2) may include in-
22 kind support.

23 “(e) MULTIYEAR BASIS.—The Secretary may provide
24 assistance under this section on a multiyear basis. The
25 Secretary shall conduct an annual review of any grant

1 awarded on a multiyear basis to ensure that the eligible
2 organization has complied with the marketing plan sub-
3 mitted under subsection (c).

4 “(f) TERMINATION.—The Secretary may terminate
5 any grant made, or to be made, under this section if the
6 Secretary determines that the eligible organization receiv-
7 ing such grant—

8 “(1) is not adhering to the terms and condi-
9 tions applicable to the grant;

10 “(2) is not implementing the marketing plan
11 submitted under subsection (b) or is not adequately
12 meeting the established goals of the plan; or

13 “(3) is not adequately contributing its own re-
14 sources to the implementation of the plan.

15 “(g) EVALUATIONS.—Beginning not later than 15
16 months after the first grant is awarded under this section
17 to an eligible organization, the Secretary shall monitor the
18 expenditures by eligible organizations made using grant
19 funds, including the following:

20 “(1) A thorough accounting of such expendi-
21 tures.

22 “(2) An evaluation of the effectiveness of the
23 marketing plan of the eligible organization in devel-
24 oping, maintaining, or expanding the commercial do-
25 mestic market for specialty crops.

1 “(h) LIMITATION ON USE OF FUNDS.—Funds re-
2 ceived through a grant under this section may not be
3 used—

4 “(1) to provide direct assistance to any domes-
5 tic or foreign for-profit corporation for the corpora-
6 tion’s use in promoting foreign-produced products;
7 or

8 “(2) to provide direct assistance to any for-
9 profit corporation that is not recognized as a small
10 business concern (as described in section 3(a) of the
11 Small Business Act (15 U.S.C. 632(a))), other
12 than—

13 “(A) a cooperative;

14 “(B) an association described in the Act of
15 February 18, 1922 (7 U.S.C. 291); or

16 “(C) a nonprofit trade association.

17 “(i) AUDITS.—If, as a result of an evaluation or audit
18 of activities of an eligible organization using funds made
19 available through a grant under this section, the Secretary
20 determines that a further review is justified in order to
21 ensure compliance with the requirements of this section,
22 the Secretary shall require the eligible organization to con-
23 tract for an independent audit of the activities carried out
24 using funds awarded under a grant under this section, in-

1 cluding activities of any subcontractor of an eligible orga-
2 nization.

3 “(j) ELIGIBLE ORGANIZATION DEFINED.—In this
4 section, the term ‘eligible organization’ means—

5 “(1) a United States agricultural trade organi-
6 zation or regional State-related organization that
7 promotes the sale of United States produced and
8 grown specialty crops and that does not profit di-
9 rectly from specific sales of United States specialty
10 crops;

11 “(2) a cooperative organization or State agency
12 that promotes the sale of United States produced
13 and grown specialty crops;

14 “(3) a private organization that promotes the
15 sale of United States produced and grown specialty
16 crop commodities if the Secretary determines that
17 such organization would significantly contribute to
18 increased domestic purchases of United States pro-
19 duced specialty crop commodities; or

20 “(4) specialty crop organizations operating
21 under Federal marketing orders.

22 “(k) FUNDING.—

23 “(1) AUTHORIZATION OF APPROPRIATIONS.—
24 There is authorized to be appropriated to carry out

1 this section \$75,000,000 for fiscal year 2024 and
2 each fiscal year thereafter.

3 “(2) ADMINISTRATIVE EXPENSES.—The Sec-
4 retary may use funds made available under para-
5 graph (1) to carry out this section for a fiscal year
6 for expenses related to administering the program
7 under this section.”.